

**CITY COUNCIL OF THE MAYOR AND
COUNCIL OF NEW CASTLE
WORKSHOP AND SPECIAL MEETING
JANUARY 20, 2010
5 P.M.**

Present:

Council President William Barthel
Councilperson Ted Megginson
Councilperson John Gaworski
Councilperson John Cochran
Councilperson Teel Petty (*arrived 5:10 p.m.*)

Others Present:

Cathryn Thomas, City Administrator
Marian Delaney, Finance/HR Supervisor
Janet Carlin, City Treasurer

The workshop began at 5 p.m. Roll call was taken.

Resolution Requesting an Encroachment in the City Right-of-Way for 219 E. Second Street – Resolution #2010-2 approves an encroachment into the City right-of-way on E. Second Street reconfiguration of porch steps located at 219 E. Second Street.

Mr. Megginson made a motion to approve Resolution #2010-2; Mr. Gaworski seconded the motion. Mr. Bergstrom provided background information. Mr. Nowak (homeowner) appeared before the Historical Area Commission (HAC) and the matter is now before City Council in an attempt to reconfigure an encroachment of his front stoop and two (2) steps that are from the side of the porch to the front of the porch resulting in an increase of 20" of encroachment on the public right-of-way. HAC has approved this request based on approval from City Council. The handrail detail will be approved by HAC as well. It leaves 6-1/2 feet of space behind the curb up to the front of the steps as they are reconfigured for a sidewalk. (*Mr. Bergstrom addressed questions about the request from Council members.*) Mr. Bergstrom believes this is a reasonable encroachment. He suggested that Council may wish to impose 4 feet of sidewalk free around the perimeter of the steps and rail. President Barthel read Resolution 2010-2 into the record. There was no further discussion. **The motion was approved by unanimous vote.**

Mid-Year Budget Review Workshop Session – Ms. Thomas provided a brief report on behalf of Chief McDerby. The Chief does not foresee any shortfalls in the current budget with the police department nor will there be the need for any transfers. Looking ahead to next year's budget, he did reduce his budget from last year to this year and will keep the budget the same from this year to next year. He did request adding a police vehicle to the budget for next year that is not in the current budget. The City has funded and budgeted one (1) police vehicle each year as has the Trustees.

Ms. Delaney reviewed budget materials that were distributed to all Council members. We are doing well with taxes. Under 'Intergovernmental' she reported that we will receive an appropriation for Municipal Services with the other half anticipated between January and June. It represents the Trustee reimbursements of \$500,000. Ms. Thomas noted that while the City did budget to receive municipal street aid then learned after our budget was done that the State did not provide any of those monies, it will be a revenue shortfall but it was based on the fact we would do a certain amount of work in order to spend that money. When we

learned the City wouldn't receive the monies we eliminated the work/cost and it will not be a negative on the overall budget.

Ms. Delaney said this budget is typical of past budgets and that the City is on target. The City is also doing well with transfer taxes. *(Discussion followed.)*

President Barthel reported that the next 12-18 months is going to remain tough with the State based on recent statements by Senator Connor. Ms. Thomas said the City could ask for a share of monies from the Community Transportation Funding received by Senator Connor and Representative Mulrooney. That amount would be small so the City should think about what amount the City can budget on an annual basis to handle road and street repairs. *(Discussion followed about the number of projects on the books at this time.)*

Building permits receipts for the first six (6) months of this year total \$91,000 compared to \$46,000 for the same period last year.

Ms. Thomas commented on several items shown on the budget that included total revenue, fines and forfeitures, investments and miscellaneous and grants. Ms. Delaney noted in the first six (6) months of FY2010 in State fines we have collected \$30,000 compared to \$41,000 during the same period the last fiscal year. A brief discussion concerning franchise fees due the City took place. The energy grant has been approved and Ms. Thomas is now in the process of putting together the plans and specifications.

Mr. Cochran reported that the library has contacted him about receiving their funding early rather than in increments. He recommended providing them their \$100,000 now in order to finish their current project. The library will be saving \$2,000-\$3,000 by having the funding made available now. The monies were provided in increments of \$25,000 last year. Ms. Thomas believes the reason for the increments last year were concerns that the City may not have the monies to provide to the library at the end of the budget year. The City's obligation is to provide the whole \$100,000 by the end of this fiscal year, June 30, 2010. Monies may be allocated in any fashion Council desires. Ms. Carlin feels the recommendation is a valid one. Ms. Delaney noted that if the City pays the library now it does not mean they will receive funding the same time next year. Council members were in agreement to provide the \$100,000 funding to the library now. Ms. Thomas will add this item to Council's February agenda.

Mr. Cochran made mention of a Certificate of Deposit that comes due on March 24, 2010. Council needs to discuss and decide on a path forward in March.

Ms. Delaney reported that for FY2010 the City has collected 70% of revenue versus 60% last year while expenses are at 40% for FY2010 versus 46% last year. We are over on revenue and under on expenses at this time.

President Barthel anticipates the economy remaining the same if not a bit worse. He referenced an article from the Wall Street Journal that he distributed to Council members that talked about communities being creative in dealing with their economic issues. We hope to find ourselves in as good a position next year as we believe we are in this year.

Ms. Delaney was commended on the good work done in preparing the budget paperwork. She added that this was a joint effort with Kelly Dougherty and Bud Waraksa assisting with the graph and expenses for the end of the year.

Funding from the Trustees of New Castle Commons – Ms. Thomas explained what was distributed to Council members. We have requested funding for part of the City's technology, a salt spreader for Public Services, monies for a garbage truck, a fully-equipped police vehicle and Dell computers. We received monies for the police vehicle and half of our request for the Dell computers. We did not receive any other monies. She reviewed additional items such as strategic and capital improvement planning, software technology, and a garbage truck. This is in addition to Chief McDerby's request for the current year and two (2) requests from Mrs. Petty.

Mrs. Petty is requesting a foyer be put in front of the administration building to be more energy efficient and provided an estimate for this work. Mr. Cochran suggested using part of the energy grant we are expecting. Ms. Thomas said that the energy request is for an HVAC system and left-over monies would go towards storm windows. She would need to explore if the request could be amended for this work. Mr. Cochran wants to ensure that enough monies are requested to cover all expenses including part of the insulation. The amount Mrs. Petty would like to request for this work is \$5,000. (*Further discussion took place about amending the energy grant to include this work and remove the storm windows.*) Other designs for the administration building were discussed keeping in mind any changes must meet ADA requirements.

Mrs. Petty's second request is for \$1,000 for the summer recreational program. Council agrees that this program is very important for the City's youth. Mrs. Petty's request is not for salaries but is intended to enhance the programs and camp experience for the children. Council will request \$1,000 from the Trustees.

Police Vehicle – Lt. Adam Brams, representing Chief McDerby, informed the cost is \$30,200. The vehicle itself costs \$21,800 and outfitting vehicles are getting more expensive each year. They try to recycle whatever equipment they can; however, the conversion between Crown Victorias and Dodge Chargers means that some of the equipment doesn't fit properly. They are getting a camera through a grant. Labor charges for equipment installation are also high. Lt. Brams was asked how they determine when a vehicle should be changed out. They look at the older vehicles with high mileage (80,000+) and potential mechanical issues. The typical turnaround time is three (3) years. Some vehicles are more reliable and do not need to be changed out as soon. Preventive maintenance is key and they are proactive with maintenance. *(Lt. Brams described how the vehicles are used.)* They are requesting two (2) vehicles; one (1) from the Trustees. Their 4-wheel drive vehicle is an older model and also subject to replacement soon. President Barthel said Council has received a suggestion intended to help to extend the life of police vehicles. That suggestion is to have more foot patrols in various communities. Lt. Brams informed that officers want to get out of their vehicle and walk and are doing this now. They are asked to note this on their logs as well. Weather conditions impact how long an officer is away from their vehicle.

Lt. Brams then provided Council with information on their dated (12-13 yrs.) record management system that they would like to get converted from Access to a web-based system. That system would include a stand-alone server. Retrieving and entering data is becoming more difficult. Their technology people are telling them they need to improve their system in order to continue to be effective. He said the system is not very usable as it is at this time and they need a database. He indicated if this item is not funded they do anticipate putting the request in for the budget for next fiscal year. They would also look at grant funding for all or a portion of the cost. There are no maintenance costs involved because their existing maintenance contract will cover. The cost is approximately \$26,000 that includes the license and a stand-alone computer for the system. Lt. Brams added that this item has been requested in recent years and did not receive any funding. The situation is more critical now than in years past. *(Lt. Brams provided several examples of how the system is used in handling criminal activity in the City.)*

Capital Improvement Plan and 5-Year Strategic Plan – President Barthel said that if we can put together a 5-year Strategic Plan then determine what will need to be done in the future, it gives future Councils direction and he believes the Trustees could be included to give them an opportunity to plan. The estimated cost to assist with this effort from the University of Delaware (UD) is \$20,000. Ms. Thomas spoke to a representative from UD who said the cost would vary depending on the scope of work. UD was approached because of the City's past relationship with them. Ms. Thomas added that UD representatives have offered to attend one of our meetings free of charge to discuss what we are looking for and what services they can offer. Once we know what the Trustees have funded prior to the budget cycle, it will also help the City with knowing what funding is needed for the capital improvement plan. She further noted what other local municipalities do with their process. Other educational institutions can be approached as well.

Funding Request to Supplement \$20,000 Approved for Last Year's Technology Budget – Council is asking for another \$20,000 in addition to the funding we already have (\$40,000). Mr. (John) Lloyd is asking for software to monitor and upgrade code enforcement efforts. He has provided President Barthel with names of companies who provide these resources. Ms. Delaney reported the City currently works with several different programs for City functions (payroll, accounting, taxes, A/P) and believes it would be to the City's benefit to consolidate all services with the same software. The current system is cumbersome, inefficient and costs the City money. A whole, integrated system would cost around \$40,000, which does not include the police department. The entire City would get a return on the investment if we consolidate to one software. Council needs to prioritize how they might fund some of our needs in the capital plan.

Garbage Truck – Mr. Megginson said they would like to replace the garbage truck which is now 10 years old. It would be used as the back-up. The newer truck would be smaller because of the routes. It was requested last year but no funding was received. We have someone inhouse to perform maintenance on our equipment rather than pay an outside vendor which is a savings. Funding will be requested.

President Barthel noted that our requests represent the current situation in the City concerning finances and various needs.

Returned Premium from DFIT Insurance Program – This is a group of municipalities in Delaware that participate in workers compensation, property, casualty and liability insurance. The City of New Castle is one of the charter members of this program. One of the attractions of the program was that the City would pay an estimated premium at the outset of the policy year then an analysis would be done by Amerihealth (provider) of the premium initially paid by the group versus the claims the City had in the first year of the program (medical, lost-time, reserves for future claims). Well over \$100,000 was deemed as a potential return premium to the group based on premium paid. The City of New Castle's level of return could be up to \$15,000. Our net cost going forward could be \$85,000 as a result of the return. Ms. Thomas detailed further how the program works. The DFIT group held a meeting to discuss a number of options on how to handle return premiums. One of the City's Public Works employees represented a large claim in the first year. There is another claim expected for the second year resulting from the on-duty incident involving a Georgetown police officer. Georgetown is a member of the group. She asked Council for their recommendation and will take same to the Board of Trustees for consideration. Mr. Gaworski would like to leave the \$15,000 in a rainy-day fund. Other Council members agreed and Ms. Thomas will relate this recommendation to the DFIT Board of Trustees. She will advise of their decision when it is known.

Hiring Part-Time Finance Specialist – Mr. Cochran reported on succession planning for the City's Finance Department. This was in our budget for 2008 and 2009 and our savings for those years has been \$75,000. He detailed the recent hiring of an HR Coordinator. Staffing is short-handed and we need to look forward. Our focus is to hire someone part-time for the immediate future with the potential to move that person into a full-time position. City employees have tightened up to handle the workload but at some point it will be necessary to bring more people onboard. This position is already built in to the budget and has been vacant for some time. An internal posting would be necessary if the position does go to full-time. Ms. Delaney added that she and Bud Waraksa haven't been able to bring in the new software and learn it because of the day to day workload. At one time we had a full-time HR person. Our part-time HR person is Ms. Dougherty who prefers to work part-time. If we move forward with up-to-date payroll software it will help the entire Finance Department. We would also like to explore electronic timesheets. President Barthel indicated that based on what has been discussed we are in a position to bring on a part-time employee. Ms. Thomas cautioned not to promote the position as becoming full-time. The potential is there for the position to become full-time but the City cannot commit to a timeframe. Council was in agreement to hire a part-time Finance Specialist. *(Discussion followed about volunteers from the local high school to work in the City for training purposes. Ms. Thomas further noted that she is encouraging cross-training by City employees.)*

Bank Resolution to Pay Cirillo Brothers – **Mr. Megginson made a motion to approve the bank resolution to pay \$82,003.96 to Cirillo Brothers (for work done reconstruction Third Street). Mr. Cochran seconded the motion.** President Barthel read the bank resolution into the record. **The resolution was passed by unanimous vote.**

Addendum to the 2008-2009 Curbside Recycling Contract between the City and the Delaware Solid Waste Authority (DWSA) – **A motion was made by Mr. Megginson to approve the addendum to the 2008-2009 Curbside Recycling Contract between the City and the DSWA and seconded by Mr. Cochran.** Ms. Thomas provided the contract agreement to Council members. She also provided a spreadsheet addressing previous questions expressed by Council. There is no way the DWSA is going to provide this service to the City of New Castle after the end of June. We will need to find other arrangements to do this service. The addendum states they will keep our current rate through the end

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of June if we release them from their 3-year agreement and agree to the addendum. If we do not agree to the addendum DWSA will invoke the 60-day clause to get out of the 3-year agreement by the end of June. Costs will increase for recycling by \$6,000 if we do not agree to the addendum. *(She detailed costs for other providers, all of which are significant increases, as well as what DWSA has agreed to per the addendum and contract terms and handling recycling inhouse.)*

There are 1,800 to 2,000 households that the City collects trash from versus 800 recycling customers in the City. She reported on the current DWSA pick up schedule and a proposed pick up schedule if the City assumes responsibility.

Extensive discussion then focused on costs involved for recycling services, how those services would be handled, and benefits to the City. This subject will be on the February agenda for more discussion. Ms. Thomas will do advertising in the upcoming *New Castle Crier* newsletter.

President Barthel read the resolution into the record. **Council is in agreement to adopt the addendum as written.**

A motion was made to adjourn the budget workshop and special meeting. The motion was seconded and approved unanimously. The meeting was adjourned at 6:55 p.m.

Respectfully submitted,

Debbie Turner

Debbie Turner, Stenographer